

Commonwealth of Kentucky
Natural Resources and Environmental Protection Cabinet
Department for Environmental Protection
Division for Air Quality
803 Schenkel Lane
Frankfort, Kentucky 40601
(502) 573-3382

Title V
AIR QUALITY PERMIT
Issued under 401 KAR 52:020

Permittee Name: Western Kentucky Energy Corporation
Mailing Address: P. O. Box 1518, Henderson, Kentucky 42419-1518

Source Name: Coleman Station
Mailing Address: P. O. Box 1518, Henderson, Kentucky 42419-1518

Source Location: 4892 River Road, Hawesville, Kentucky 42348

Permit Number: V-02-003
Log Number: 50043
Review Type: Title V
Source ID #: 21-091-00003
ORIS Code: 1381

Regional Office Owensboro
3032 Alvey Park Drive W., Suite 700
Owensboro, KY 42303-2191
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County: Hancock

Application
Complete Date: December 16, 1996
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John S. Lyons, Director
Division for Air Quality

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SECTION A PERMIT AUTHORIZATION

Pursuant to a duly submitted application the Kentucky Division for Air Quality hereby authorizes the operation of the equipment described herein in accordance with the terms and conditions of this permit. This permit has been issued under the provisions of Kentucky Revised Statutes Chapter 224 and regulations promulgated pursuant thereto and shall become the final permit unless the U.S. EPA files an objection pursuant to 401 KAR 52:100, Section 10.

The permittee shall not construct, reconstruct, or modify any affected facilities without first having submitted a complete application and received a permit for the planned activity from the permitting authority, except as provided in this permit or in 401 KAR 52:020, Title V Permits.

Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by this Cabinet or any other federal, state, or local agency.

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SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

Emissions Units 01-03 Indirect Heat Exchangers

Description:

Dry-bottom, wall-fired, pulverized coal-fired unit

Natural gas or propane is used for startup and stabilization

Secondary fuel: e-fuel

E. Unit 01&02-Maximum Continuous Rating: 1,565 MMBTU/hour each

E. Unit 03-Maximum Continuous Rating: 1,586 MMBTU/hour

Control Equipment: Low NOx burner & electrostatic precipitator

Construction commenced: 1966 (E. Unit 01&02), 1968 (E. Unit 03)

Applicable Regulations:

401 KAR 61:015, Existing indirect heat exchangers applicable to an emission unit with a capacity of more than 250 mmBTU per hour and commenced before August 17, 1971.

Regulation No. 7, Prevention and control of emissions of particulate matter from combustion of fuel in indirect heat exchangers.

1. Operating Limitations:

None

2. Emission Limitations:

- a) Pursuant to 401 KAR 61:015, Section 4(4), and Regulation No. 7, particulate emissions shall not exceed 0.27 lb/MMBTU, for each unit based on a three-hour average.
- b) Pursuant to 401 KAR 61:015, Section 4(4), and Regulation No. 7, emissions shall not exceed 40 percent opacity based on a six-minute average except that a maximum of 60 percent opacity is allowed for a period or aggregate of periods not more than six minutes in any sixty minutes during building a new fire, cleaning the firebox, or blowing soot.
- c) Pursuant to 401 KAR 61:015, Section 5(1), sulfur dioxide emission shall not exceed 5.2 lbs/MMBTU, for each unit based on a twenty-four-hour average.

3. Testing Requirements:

- a) The permittee shall submit a schedule within six months from the issuance date of this permit to conduct at least one performance test for particulate within one year following the issuance of this permit. Opacity data from the Continuous Opacity Monitor (COM) obtained during the performance test shall be correlated with the particulate emission rate to establish an average opacity level pursuant to Condition 4.d below.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

- b) If no additional stack tests are performed pursuant to Condition 4.d), the permittee shall conduct a performance test for particulate emissions within the third year of the term of this permit to demonstrate compliance with the applicable standard.
- c) The permittee shall determine the opacity of emissions from the stack by EPA Reference Method 9 annually, or more frequently if requested by the Division.

4. Specific Monitoring Requirements:

- a) Pursuant to 401 KAR 61:005, Section 3 and material incorporated by reference 401 KAR 52:020, Section 1b (III), continuous emission monitoring systems shall be installed, calibrated, maintained, and operated for measuring sulfur dioxide emissions and either oxygen or carbon dioxide emissions. Or pursuant material incorporated by reference by 401 KAR 52:020, Section 1b (III) and 401 KAR 61:015, Section 6(6), monitoring of operations for sulfur dioxide emissions shall be conducted daily by fuel sampling and analysis of fuel as fired if the affected facility is not equipped with a flue gas desulfurization unit. The continuous emission monitoring systems shall comply with 401 KAR 61:005, Section 3, particularly, performance specification 2 of Appendix B to 40 CFR 60 or 40 CFR 75, Appendix A.
- b) In accordance with 401 KAR 61:015, Section 6 (1), the sulfur content of solid fuels, as burned shall be determined in accordance with methods specified by the Division.
- c) In accordance with 401 KAR 61:015, Section 6 (3) the rate of each fuel burned shall be measured daily and recorded. The heating value and ash content of fuels shall be ascertained at least once per week and recorded. The average electrical output, and the minimum and maximum hourly generation rate shall be measured and recorded daily.
- d) Pursuant to material incorporated by reference by 401 KAR 52:020, Section 1b (III), to meet the periodic monitoring requirement for particulate, the permittee shall use a continuous opacity monitor (COM). The average opacity level, determined pursuant to condition 3.a above, plus 5% opacity, will become the opacity trigger level. Excluding the startup, shut down, and once per hour exemption periods, if any six-minute average opacity value exceeds the opacity standard, the permittee shall, as appropriate, initiate an inspection of the control equipment and/or the COM system and make any necessary repairs. If five (5) percent or greater of COM data (excluding startup, shut down, and malfunction periods, data averaged over six minute period) recorded in a calendar quarter show excursions above the opacity standard, the permittee shall perform a stack test in the following calendar quarter to demonstrate compliance with the particulate standard while operating at representative conditions. The permittee shall submit a compliance test protocol as required by condition Section G(a)(20) of this permit before conducting the test. The Division may waive this testing requirement upon a demonstration that the cause(s) of the excursions have been corrected, or may require stack tests at any time pursuant to 401 KAR 50:045, Performance tests.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

- e) Pursuant to material incorporated by reference by 401 KAR 52:020, Section 1b (III), to meet the periodic monitoring requirement for opacity, the permittee shall use a continuous opacity monitor (COM). Excluding the startup, shut down, and once per hour exemption periods, if any six-minute average opacity value exceeds the opacity standard, the permittee shall, as appropriate, initiate an inspection of the control equipment and/or COM system and make any necessary repairs. If visible emissions from the stack are seen, the permittee shall determine the opacity of emissions by Reference Method 9. If a Method 9 cannot be performed, the reason for not performing the test shall be documented.
- f) Pursuant to material incorporated by reference by 401 KAR 52:020, Section 1b (III), to meet the periodic monitoring requirement for sulfur dioxide, the permittee shall use a continuous emission monitor (CEM) Excluding the startup and shut down periods, if any 24-hour average sulfur dioxide value exceeds the standard, the permittee shall, as appropriate, initiate an investigation of the cause of the exceedance and/or the CEM system and make any necessary repairs or take corrective actions as soon as practicable.
- g) Pursuant to 401 KAR 61:005, Section 3, a continuous monitoring system for opacity shall conform to requirements of this section which include installing, calibrating, operating, and maintaining the continuous monitoring system for accurate opacity measurement, and demonstrating compliance with the applicable Performance Specification 1 of 40 CFR 60, Appendix B.
- h) Pursuant to 401 KAR 61:005, Section 3 (5), the Division may provide a temporary exemption from the monitoring and reporting requirements of 401 KAR 61:005, Section 3, for the continuous opacity monitoring system during any period of monitoring system malfunction, provided that the source owner or operator shows, to the Division's satisfaction, that the malfunction was unavoidable and is being repaired as expeditiously as practicable.

5. Specific Record Keeping Requirements:

- a) Records shall be kept in accordance with 401 KAR 61:005, Section 3(16) (f) and 61:015, Section 6, with the exception that the records shall be maintained for a period of five (5) years. Percentage of the COM data (excluding startup, shut down, and malfunction data) showing excursions above the opacity standard in each calendar quarter shall be computed and recorded.
- b) The permittee shall maintain records of the COM data on a three-hour rolling average basis, the number of excursions above the indicator range, time and date of excursions, opacity value of the excursions, and percentage of the COM data showing excursions from the indicator range in each calendar quarter.
- c) The permittee shall maintain the results of all compliance tests.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

6. Specific Reporting Requirements:

- a) Pursuant to 401 KAR 61:005, Section 3 (16), minimum data requirements which follow shall be maintained and furnished in the format specified by the Division.
 - 1. Owners or operators of facilities required to install continuous monitoring systems or those utilizing fuel sampling and analysis for sulfur dioxide emissions shall submit for every calendar quarter, a written report of excess emissions and the nature and cause of the excess emissions if known. The averaging period used for data reporting should correspond to the emission standard averaging period, which is a twenty-four (24) hour averaging period. All quarterly reports shall be postmarked by the thirtieth (30th) day following the end of each calendar quarter.
 - 2. For opacity measurements, the summary shall consist of the magnitude in actual percent opacity of six (6) minute averages of opacity greater than the opacity standard in the applicable standard for each hour of operation of the facility. Average values may be obtained by integration over the averaging period or by arithmetically averaging a minimum of four (4) equally spaced, instantaneous opacity measurements per minute. Any time period exempted shall be considered before determining the excess average of opacity.
 - 3. For gaseous measurements the summary shall consist of hourly averages in the units of the applicable standard.
 - 4. The date and time identifying each period during which the continuous monitoring system was inoperative, except for zero and span checks, and the nature of system repairs or adjustments shall be reported. Proof of continuous monitoring system performance is required as specified by the Division whenever system repairs or adjustments have been made.
 - 5. When no excess emissions have occurred and the continuous monitoring system(s) have not been inoperative, repaired, or adjusted, such information shall be included in the report.
- b) The permittee shall report the number of excursions (excluding startup, shut down, malfunction data) above the opacity standard, date and time of excursions, opacity value of the excursions, and percentage of the COM data showing excursions above the opacity standard in each calendar quarter.

7. Specific Control Equipment Operating Conditions:

- a) Pursuant to 401 KAR 50:055, Section 5, the electrostatic precipitator (ESP) shall be operated as necessary to maintain compliance with permitted emission limitations, in accordance with manufacturer's specifications and standard operating practices.
- b) Records regarding the maintenance of the control equipment shall be maintained.
- c) See Section E for further requirements.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

6. Specific Reporting Requirements:

- a) Pursuant to 401 KAR 61:005, Section 3 (16), minimum data requirements which follow shall be maintained and furnished in the format specified by the Division.
 - 1. Owners or operators of facilities required to install continuous monitoring systems or those utilizing fuel sampling and analysis for sulfur dioxide emissions shall submit for every calendar quarter, a written report of excess emissions and the nature and cause of the excess emissions if known. The averaging period used for data reporting should correspond to the emission standard averaging period, which is a twenty-four (24) hour averaging period. All quarterly reports shall be postmarked by the thirtieth (30th) day following the end of each calendar quarter.
 - 2. For opacity measurements, the summary shall consist of the magnitude in actual percent opacity of six (6) minute averages of opacity greater than the opacity standard in the applicable standard for each hour of operation of the facility. Average values may be obtained by integration over the averaging period or by arithmetically averaging a minimum of four (4) equally spaced, instantaneous opacity measurements per minute. Any time period exempted shall be considered before determining the excess average of opacity.
 - 3. For gaseous measurements the summary shall consist of hourly averages in the units of the applicable standard.
 - 4. The date and time identifying each period during which the continuous monitoring system was inoperative, except for zero and span checks, and the nature of system repairs or adjustments shall be reported. Proof of continuous monitoring system performance is required as specified by the Division whenever system repairs or adjustments have been made.
 - 5. When no excess emissions have occurred and the continuous monitoring system(s) have not been inoperative, repaired, or adjusted, such information shall be included in the report.
- b) The permittee shall report the number of excursions (excluding startup, shut down, malfunction data) above the opacity standard, date and time of excursions, opacity value of the excursions, and percentage of the COM data showing excursions above the opacity standard in each calendar quarter.

7. Specific Control Equipment Operating Conditions:

- a) Pursuant to 401 KAR 50:055, Section 5, the electrostatic precipitator (ESP) shall be operated as necessary to maintain compliance with permitted emission limitations, in accordance with manufacturer's specifications and standard operating practices.
- b) Records regarding the maintenance of the control equipment shall be maintained.
- c) See Section E for further requirements.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Unit 04 Coal Handling Operations

Description:

Machine Point 01 - 01	Haul road
Machine Point 02 - 05	Truck unloading
Machine Point 03 - 04	Barge unloading
Machine Point 04 - 03	Receiving bin & crusher
Machine Point 05 - 06	Conveyor #2 to pile (stockout & reclaim)
Machine Point 06 - 10	Stockout & reclaim

Control Equipment:

Partial enclosures/low drops	Machine Point 02
Partial enclosures/low drops/ baghouse	Machine Point 03 - 04
Partial enclosure/telescopic chute/ Low drop	Machine Point 05
Partial enclosures/low drops	Machine Point 06

Operating rate: 850 tons/hour

Construction commenced: 1966

Applicable Regulations:

401 KAR 63:010, Fugitive emissions

1. Operating Limitations:

- a) Pursuant to 401 KAR 63:010, Section 3, reasonable precautions shall be taken to prevent particulate matter from becoming airborne. Such reasonable precautions shall include, when applicable, but not be limited to the following:
 1. Application and maintenance of asphalt, water, or suitable chemicals on roads, material stockpiles, and other surfaces, which can create airborne dusts;
 2. Installation and use of hoods, fans, and fabric filters to enclose and vent the handling of dusty materials, or the use of water sprays or other measures to suppress the dust emissions during handling;
- b) Pursuant to 401 KAR 63:010, Section 3, discharge of visible fugitive dust emissions beyond the property line is prohibited.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

2. Emission Limitations:

Pursuant to 401 KAR 63:010, Section 3, reasonable precautions shall be taken to prevent particulate matter from becoming airborne.

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

Pursuant to 401 KAR 63:010, Section 3, the permittee shall monitor fugitive emissions from partial enclosures, low drops, telescopic chutes, barge unloader and roads.

5. Specific Record Keeping Requirements:

The permittee shall maintain the records of amount of coal received and processed (coal tonnage) on a monthly basis.

6. Specific Reporting Requirements:

See Section F, Conditions 5, 6, 7 and 8.

7. Specific Control Equipment Operating Conditions:

- a) Pursuant to Regulation 401 KAR 50:055, Section 5, the partial enclosures, low-pressure drops and telescopic chute shall be maintained and operated to ensure the emission units are in compliance with applicable requirements of 401 KAR 63:010, and in accordance with manufacturer's specifications and standard operating practices
- b) Records regarding the maintenance of the control equipment shall be maintained.
- c) See Section E for further requirements.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Unit 05 Coal Handling Operations

Description:

Machine Point 01	Conveyor #5
Machine Point 02	Conveyor #6
Machine Point 03	Transfer points for Units 1,2, & 3
Machine Point 04	Bunkers for Units 1,2, & 3

Control Equipment:

Partial enclosures/low drops

Machine Point 01 - 04

Operating rate: 850 tons/hour

Construction commenced: 1966

Applicable Regulations:

401 KAR 61:020, Existing process operations, for emissions unit commenced before July 2, 1975

1. Operating Limitations:

None

2. Emission Limitations:

- a) Pursuant to 401 KAR 61:020, Section 3(2), particulate matter emissions into the open air shall not exceed $[55 (P)^{0.11} - 40]$ pounds per hour based on three-hour average where P is the operating rate in tons per hour.
- b) Pursuant to 401 KAR 61:020, Section 3(1)(a), any continuous emission(s) into the open air shall not equal or exceed forty (40) percent opacity based on a six-minute average.

3. Testing Requirements:

The permittee shall determine the opacity of emissions from the stack by EPA Reference Method 9 annually, or more frequently if requested by the Division.

4. Specific Monitoring Requirements:

- a) The permittee shall perform a qualitative visual observation of the opacity of emissions from each stack on a weekly basis and maintain a log of the observations. If visible emissions from any stack are seen, the permittee shall determine the opacity of emissions by Reference Method 9 and instigate an inspection of the control equipment for any necessary repairs.
- b) The permittee shall monitor the operating rate and hours of operation on a daily basis.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

5. Specific Record Keeping Requirements:

Records of the daily coal processed/burned and hours of operation shall be maintained.

6. Specific Reporting Requirements:

See Section F.

7. Specific Control Equipment Operating Conditions:

- a) Pursuant to 401 KAR 50:055, Section 5, the air pollution control equipment (including but not limited to enclosures) shall be maintained and operated to ensure the emission units are in compliance with applicable requirements of 401 KAR 61:020 and in accordance with manufacturer's specifications and standard operating practices.
- b) Records regarding the maintenance of the control equipment shall be maintained.
- c) See Section E for further requirements.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Unit 07 Ash and Sludge Handling Operations

Description:

Equipment includes: Dredged material stockpile, sludge truck loadout, and haul roads.
Operating rate: 226 tons/hour
Construction commenced: 1966

Applicable Regulations:

401 KAR 63:010, Fugitive emissions

1. Operating Limitations:

- a) Pursuant to 401 KAR 63:010, Section 3, reasonable precautions shall be taken to prevent particulate matter from becoming airborne. Such reasonable precautions shall include, when applicable, but not be limited to the following:
 - 1. Application and maintenance of asphalt, water, or suitable chemicals on roads, material stockpiles, and other surfaces, which can create airborne dusts;
 - 2. Installation and use of hoods, fans, and fabric filters to enclose and vent the handling of dusty materials, or the use of water sprays or other measures to suppress the dust emissions during handling;
- b) Pursuant to 401 KAR 63:010, Section 3, discharge of visible fugitive dust emissions beyond the property line is prohibited.

2. Emission Limitations:

Pursuant to 401 KAR 63:010, Section 3, reasonable precautions shall be taken to prevent particulate matter from becoming airborne.

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

The permittee shall monitor the amount of waste material (ash/sludge) processed and disposed (in tonnage) on a monthly basis.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

5. Specific Record Keeping Requirements:

The permittee shall maintain the records of amount of waste material (ash/sludge) processed and disposed (in tonnage) on a monthly basis.

6. Specific Reporting Requirements:

See Section F, Conditions 5, 6, 7 and 8.

7. Specific Control Equipment Operating Conditions:

- a) Pursuant to 401 KAR 50:055, Section 5, the water spray at stockpile and loadout shall be maintained and operated to ensure the emission units are in compliance with applicable requirements of Regulation 401 KAR 63:010, and in accordance with manufacturer's specifications and standard operating practices
- b) Records regarding the maintenance of the control equipment shall be maintained.
- c) See Section E for further requirements.

SECTION C INSIGNIFICANT ACTIVITIES

The following listed activities have been determined to be insignificant activities for this source pursuant to Regulation 401 KAR 52:020, Section 6. While these activities are designated as insignificant, the permittee must comply with the applicable regulation and some minimal level of periodic monitoring may be necessary.

<u>Description</u>	<u>Generally Applicable Regulation</u>
1. Station fuel-oil tank (capacity 71,505 gallons)	NA
2. Dozer fuel station	NA
3. Gas tank no. 1 (capacity 250 gallons)	NA
4. Gas tank no. 2 (capacity 250 gallons)	NA
5. Kerosene tank (capacity 250 gallons)	NA
6. Propane tanks	NA
7. Turbine lube vapor extraction, Unit 1	NA
8. Turbine lube vapor extraction, Unit 2	NA
9. Turbine lube vapor extraction, Unit 3	NA
10. Closed cooling water system	NA
11. Demineralize process operation	NA
12. Freeze protection operation for coal conveyors	NA
13. Sewage treatment plant operations	NA
14. Thermal evaporation of boiler cleaning wastes	NA
15. Off-specification used oil fuel burned for energy recovery	NA

SECTION D SOURCE EMISSION LIMITATIONS AND TESTING REQUIREMENTS

1. As required by Section 1b of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26; compliance with annual emissions and processing limitations contained in this permit, shall be based on emissions and processing rates for any twelve (12) consecutive months.
2. Particulate, sulfur dioxide and visible (opacity) emissions, as measured by methods referenced in Regulation 401 KAR 50:015, Section 1, shall not exceed the respective limitations specified herein.

SECTION E - SOURCE CONTROL EQUIPMENT REQUIREMENTS

Pursuant to Regulation 401 KAR 50:055, Section 2(5), at all times, including periods of startup, shutdown and malfunction, owners and operators shall, to the extent practicable, maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the Division which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source.

SECTION F MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS

1. When continuing compliance is demonstrated by periodic testing or instrumental monitoring, the permittee shall compile records of required monitoring information that include:
 - a. Date, place as defined in this permit, and time of sampling or measurements.
 - b. Analyses performance dates;
 - c. Company or entity that performed analyses;
 - d. Analytical techniques or methods used;
 - e. Analyses results; and
 - f. Operating conditions during time of sampling or measurement.[Material incorporated by reference by 401 KAR 52:020, Section 1b (IV) 1.]
2. Records of all required monitoring data and support information, including calibrations, maintenance records, and original strip chart recordings, and copies of all reports required by the Division for Air Quality, shall be retained by the permittee for a period of five years and shall be made available for inspection upon request by any duly authorized representative of the Division for Air Quality. [Material incorporated by reference by 401 KAR 52:020, Sections 1b(IV) 2 and 1a(8).]
3. In accordance with the requirements of 401 KAR 52:020 Section 3(1)h the permittee shall allow authorized representatives of the Cabinet to perform the following during reasonable times:
 - a. Enter upon the premises to inspect any facility, equipment (including air pollution control equipment), practice, or operation;
 - b. To access and copy any records required by the permit;
 - c. Inspect, at reasonable times, any facilities, equipment (including monitoring and pollution control equipment), practices, or operations required by the permit. Reasonable times are defined as during all hours of operation, during normal office hours; or during an emergency.
 - d. Sample or monitor, at reasonable times, substances or parameters to assure compliance with the permit or any applicable requirements.
 - e. Reasonable times are defined as during all hours of operation, during normal office hours; or during an emergency.
4. No person shall obstruct, hamper, or interfere with any Cabinet employee or authorized representative while in the process of carrying out official duties. Refusal of entry or access may constitute grounds for permit revocation and assessment of civil penalties.
5. Summary reports of any monitoring required by this permit, other than continuous emission or opacity monitors, shall be submitted to the Regional Office listed on the front of this permit at least every six (6) months during the life of this permit, unless otherwise stated in this permit. For emission units that were still under construction or which had not commenced operation at the end of the 6-month period covered by the report and are subject to monitoring requirements in this permit, the report shall indicate that no monitoring was performed during the previous six months because the emission unit was not in operation.
[Material incorporated by reference by 401 KAR 52:020, Section 1b (V) 1.]

SECTION F MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS (CONTINUED)

6. The semi-annual reports are due prior to January 30th and July 30th of each year. Data from the continuous emission and opacity monitors shall be reported to the Technical Services Branch in accordance with the requirements of 401 KAR 59:005, General Provisions, Section 3(3). All reports shall be certified by a responsible official pursuant to 401 KAR 52:020 Section 23. All deviations from permit requirements shall be clearly identified in the reports.
7. In accordance with the provisions of 401 KAR 50:055, Section 1 the owner or operator shall notify the Regional Office listed on the front of this permit concerning startups, shutdowns, or malfunctions as follows:
 - a. When emissions during any planned shutdowns and ensuing startups will exceed the standards notification shall be made no later than three (3) days before the planned shutdown, or immediately following the decision to shut down, if the shutdown is due to events which could not have been foreseen three (3) days before the shutdown.
 - b. When emissions due to malfunctions, unplanned shutdowns and ensuing startups are or may be in excess of the standards notification shall be made as promptly as possible by telephone (or other electronic media) and shall submit written notice upon request.
8. The owner or operator shall report emission related exceedances from permit requirements including those attributed to upset conditions (other than emission exceedances covered by Section F.7. above) to the Regional Office listed on the front of this permit within 30 days. Other deviations from permit requirements shall be included in the semiannual report required by Section F.6. [Material incorporated by reference by 401 KAR 52:020, Section 1b V 3, 4.]
9. Pursuant to 401 KAR 52:020, Permits, Section 21, the permittee shall certify compliance with the terms and conditions contained in this permit, by completing and returning a Compliance Certification Form (DEP 7007CC) (or an alternative approved by the regional office) to the Regional Office listed on the front of this permit and the U.S. EPA in accordance with the following requirements:
 - a. Identification of the term or condition;
 - b. Compliance status of each term or condition of the permit;
 - c. Whether compliance was continuous or intermittent;
 - d. The method used for determining the compliance status for the source, currently and over the reporting period, and
 - e. For an emissions unit that was still under construction or which has not commenced operation at the end of the 12-month period covered by the annual compliance certification, the permittee shall indicate that the unit is under construction and that compliance with any applicable requirements will be demonstrated within the timeframes specified in the permit.

SECTION F MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS (CONTINUED)

- f) The certification shall be postmarked by the thirtieth (30) day following the applicable permit issuance anniversary date, or by January 30th of each year if calendar year reporting is approved by the regional office. Annual compliance certification should be mailed to the following addresses:

Division for Air Quality
Owensboro Regional Office
3032 Alvey Park Drive
Owensboro, Kentucky 42303

U.S. EPA Regional Office
Air Enforcement Branch
Atlanta Federal Center
61 Forsyth St.
Atlanta, GA 30303-8960

Division for Air Quality
Central Files
803 Schenkel Lane
Frankfort, KY 40601

10. In accordance with 401 KAR 52:020, Section 22, the permittee shall provide the Division with all information necessary to determine its subject emissions within thirty (30) days of the date the KYEIS emission survey is mailed to the permittee.
11. Pursuant to Section VII.3 of the policy manual of the Division for Air Quality as referenced in 401 KAR 50:016, Section 1(1), results of performance test(s) required by the permit shall be submitted to the Division by the source or its representative within forty-five days after the completion of the fieldwork.

SECTION G - GENERAL PROVISIONS

(a) General Compliance Requirements

1. The permittee shall comply with all conditions of this permit. Noncompliance shall be a violation of 401 KAR 52:020 and of the Clean Air Act and is grounds for enforcement action including termination, revocation and reissuance, revision or denial of a permit. [Material incorporated by reference by 401 KAR 52:020, Section 1a, 3]
2. The filing of a request by the permittee for any permit revision, revocation, reissuance, or termination, or of a notification of a planned change or anticipated noncompliance, shall not stay any permit condition. [Material incorporated by reference by 401 KAR 52:020, Section 1a, 6]
3. This permit may be revised, revoked, reopened and reissued, or terminated for cause in accordance with 401 KAR 52:020, Section 19. The permit will be reopened for cause and revised accordingly under the following circumstances:
 - a. If additional requirements become applicable to the source and the remaining permit term is three (3) years or longer. In this case, the reopening shall be completed no later than eighteen (18) months after promulgation of the applicable requirement. A reopening shall not be required if compliance with the applicable requirement is not required until after the date on which the permit is due to expire, unless this permit or any of its terms and conditions have been extended pursuant to 401 KAR 52:020, Section 12;
 - b. The Cabinet or the U. S. EPA determines that the permit must be revised or revoked to assure compliance with the applicable requirements;
 - c. The Cabinet or the U. S. EPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit;
 - d. If any additional applicable requirements of the Acid Rain Program become applicable to the source.

Proceedings to reopen and reissue a permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of the permit for which cause to reopen exists. Reopenings shall be made as expeditiously as practicable. Reopenings shall not be initiated before a notice of intent to reopen is provided to the source by the Division, at least thirty (30) days in advance of the date the permit is to be reopened, except that the Division may provide a shorter time period in the case of an emergency.

4. The permittee shall furnish information upon requested by the cabinet to determine if cause exists for modifying, revoking and reissuing, or terminating the permit; or compliance with the permit. [Material incorporated by reference by 401 KAR 52:020, Section 1a, 7,8]
5. The permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application, shall promptly submit such facts or corrected information to the permitting authority. [Material incorporated by reference by 401 KAR 52:020, Section 7(1)]

SECTION G - GENERAL PROVISIONS (CONTINUED)

6. The permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application, shall promptly submit such facts or corrected information to the permitting authority. [Material incorporated by reference by 401 KAR 52:020, Section 7(1)]
7. Any condition or portion of this permit which becomes suspended or is ruled invalid as a result of any legal or other action shall not invalidate any other portion or condition of this permit. [Material incorporated by reference by 401 KAR 52:020, Section 1a, 14]
8. The permittee shall not use as a defense in an enforcement action the contention that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance. [Material incorporated by reference by 401 KAR 52:020, Section 1a, 4]
9. Except for requirements identified in this permit as state-origin requirements, all terms and conditions shall be enforceable by the United States Environmental Protection Agency and citizens of the United States. [Material incorporated by reference by 401 KAR 52:020, Section 1a, 15)b]
10. This permit shall be subject to suspension if the permittee fails to pay all emissions fees within 90 days after the date of notice as specified in 401 KAR 50:038, Section 3(6). [Material incorporated by reference by 401 KAR 52:020, Section 1a, 10]
11. Nothing in this permit shall alter or affect the liability of the permittee for any violation of applicable requirements prior to or at the time of permit issuance. [401 KAR 52:020, Section 11(3)(b)]
12. This permit does not convey property rights or exclusive privileges. [Material incorporated by reference by 401 KAR 52:020, Section 1a, 9]
13. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by the Kentucky Cabinet for Natural Resources and Environmental Protection or any other federal, state, or local agency.
14. Nothing in this permit shall alter or affect the authority of U.S. EPA to obtain information pursuant to Federal Statute 42 USC 7414, Inspections, monitoring, and entry. [401 KAR 52:020, Section 11(3)(d)].
15. Nothing in this permit shall alter or affect the authority of U.S. EPA to impose emergency orders pursuant to Federal Statute 42 USC 7603, Emergency orders. [401 KAR 52:020, Section 11(3)(a)]

SECTION G GENERAL CONDITIONS (CONTINUED)

16. This permit consolidates the authority of any previously issued PSD, NSR, or Synthetic minor source preconstruction permit terms and conditions for various emission units and incorporates all requirements of those existing permits into one single permit for this source
17. Permit Shield - A permit shield shall not protect the owner or operator from enforcement actions for violating an applicable requirement prior to or at the time of permit issuance. Compliance with the conditions of a permit shall be considered compliance with:
 - (a) Applicable requirements that are included and specifically identified in the permit and
 - (b) Non-applicable requirements expressly identified in this permit.
18. The permittee may conduct test burns of materials other than those listed in the permit without reopening or revision of this permit provided that:
 - a) Notification is provided to the Division at least 30 days prior to initiation of the test burning of the material;
 - b) The source complies with all applicable regulations and emission limitations;
 - c) The permittee agrees to perform such additional testing as may be required by the Division;
19. The permanent burning of any material (addressed in General Condition G(a)17) shall be allowed upon completion of testing provided that:
 - a) The Division determines that change is not a physical change in or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any pollutant subject to regulation under 42 USC 7401 to 7671q (Clean Air Act). Such determination shall be made within sixty (60) days of the application receipt along with the test results;
 - b) The permittee keeps records of date and time of burn;
 - c) The permittee keeps records of analysis and feed rate of material;
 - d) Burning any of those materials shall not be subject to any new applicable regulation and the source shall comply with all applicable regulation and emission limitations.
20. Emission limitations listed in this permit shall apply at all the times except during periods of startup, shutdown, or malfunctions, and opacity limitations listed in this permit shall apply at all times except during periods of startup and shutdown in accordance with Regulation 401 KAR 50:055, provided the permittee complies with the requirements of Regulation 401 KAR 50:055.
21. Pursuant to Section VII 2(1) of the policy manual of the Division for Air Quality as referenced by Regulation 401 KAR 50:016, Section 1(1), at least one month prior to the date of the required performance test, the permittee shall complete and return a Compliance Test Protocol (Form DEP 6027) to the Division's Frankfort Central Office. Pursuant to 401 KAR 50:045, Section 5, the Division shall be notified of the actual test date at least ten (10) days prior to the test.

SECTION G GENERAL CONDITIONS (CONTINUED)

- (b) Permit Expiration and Reapplication Requirements

1. This permit shall remain in effect for a fixed term of five (5) years following the original date of issue. Permit expiration shall terminate the source's right to operate unless a timely and complete renewal application has been submitted to the Division at least six months prior to the expiration date of the permit. Upon a timely and complete submittal, the authorization to operate within the terms and conditions of this permit, including any permit shield, shall remain in effect beyond the expiration date, until the renewal permit is issued or denied by the Division. [401 KAR 52:020, Section 12]
2. The authority to operate granted shall cease to apply if the source fails to submit additional information requested by the Division after the completeness determination has been made on any application, by whatever deadline the Division sets. [401 KAR 52:020 Section 8(2)]

(c) Permit Revisions

1. A minor permit revision procedure may be used for permit revisions involving the use of economic incentive, marketable permit, emission trading, and other similar approaches, to the extent that these minor permit revision procedures are explicitly provided for in the SIP or in applicable requirements and meet the relevant requirements of 401 KAR 52:020, Section 14(2).
2. This permit is not transferable by the permittee. Future owners and operators shall obtain a new permit from the Division for Air Quality. The new permit may be processed as an administrative amendment if no other change in this permit is necessary, and provided that a written agreement containing a specific date for transfer of permit responsibility coverage and liability between the current and new permittee has been submitted to the permitting authority within ten (10) days following the transfer.

(d) Construction, Start-Up, and Initial Compliance Demonstration Requirements

N/A

(e) Acid Rain Program Requirements

1. If an applicable requirement of Federal Statute 42 USC 7401 through 7671q (the Clean Air Act) is more stringent than an applicable requirement promulgated pursuant to Federal Statute 42 USC 7651 through 7651o (Title IV of the Act), both provisions shall apply, and both shall be state and federally enforceable.
2. The source shall comply with all requirements and conditions of the Title IV, Acid Rain Permit and any revised or future acid rain permit(s) issued to this source.

SECTION G - GENERAL PROVISIONS (CONTINUED)

(f) Emergency Provisions

1. Pursuant to 401 KAR 52:020 Section 24(1), an emergency shall constitute an affirmative defense

to an action brought for the noncompliance with the technology-based emission limitations if the permittee demonstrates through properly signed contemporaneous operating logs or relevant evidence that:

- a. An emergency occurred and the permittee can identify the cause of the emergency;
- b. The permitted facility was at the time being properly operated;
- c. During an emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and
- d. Pursuant to 401 KAR 52:020, 401 KAR 50:055, and KRS 224.01-400, the permittee notified the Division as promptly as possible and submitted written notice of the emergency to the Division when emission limitations are exceeded due to an emergency. The notice shall include a description of the emergency, steps taken to mitigate emissions, and corrective actions taken.
- e. This requirement does not relieve the source from other local, state or federal notification requirements.

(g) Risk Management Provisions

1. The permittee shall comply with all applicable requirements of 401 KAR Chapter 68, Chemical Accident Prevention, which incorporates by reference 40 CFR Part 68, Risk Management Plan provisions. If required, the permittee shall comply with the Risk Management Program and submit a Risk Management Plan to:

**RMP Reporting Center
P.O. Box 3346
Merrifield, VA, 22116-3346**

2. If requested, submit additional relevant information to the Division or the U.S. EPA.

SECTION G - GENERAL PROVISIONS (CONTINUED)

(h) Ozone depleting substances

1. The permittee shall comply with the standards for recycling and emissions reduction pursuant to 40 CFR 82, Subpart F, except as provided for Motor Vehicle Air Conditioners (MVACs) in Subpart B:

- a. Persons opening appliances for maintenance, service, repair, or disposal shall comply with the required practices contained in 40 CFR 82.156.
 - b. Equipment used during the maintenance, service, repair, or disposal of appliances shall comply with the standards for recycling and recovery equipment contained in 40 CFR 82.158.
 - c. Persons performing maintenance, service, repair, or disposal of appliances shall be certified by an approved technician certification program pursuant to 40 CFR 82.161.
 - d. Persons disposing of small appliances, MVACs, and MVAC-like appliances (as defined at 40 CFR 82.152) shall comply with the recordkeeping requirements pursuant to 40 CFR 82.166.
 - e. Persons owning commercial or industrial process refrigeration equipment shall comply with the leak repair requirements pursuant to 40 CFR 82.156.
 - f. Owners/operators of appliances normally containing 50 or more pounds of refrigerant shall keep records of refrigerant purchased and added to such appliances pursuant to 40 CFR 82.166.
2. If the permittee performs service on motor (fleet) vehicle air conditioners containing ozone-depleting substances, the source shall comply with all applicable requirements as specified in 40 CFR 82, Subpart B, Servicing of Motor Vehicle Air Conditioners.

SECTION H - ALTERNATE OPERATING SCENARIOS

N/A

SECTION I - COMPLIANCE SCHEDULE

N/A

SECTION J -ACID RAIN PERMIT

ACID RAIN PERMIT CONTENTS

- 1) Statement of Basis
- 2) SO₂ allowances allocated under this permit and NO_x requirements for each affected unit.
- 3) Comments, notes and justifications regarding permit decisions and changes made to the permit application forms during the review process, and any additional requirements or conditions.
- 3) The permit application submitted for this source. The owners and operators of the source must comply with the standard requirements and special provisions set forth in the Phase II Application.
- 5) Summary of Actions

1) Statement of Basis:

Statutory and Regulatory Authorities: In accordance with KRS 224.10-100 and Titles IV and V of the Clean Air Act, the Kentucky Natural Resources and Environmental Protection Cabinet, Division for Air Quality issues this permit pursuant to Regulations 401 KAR 52:020, Permits, 401 KAR 52:060, Acid Rain Permit, and Federal Regulation 40 CFR Part 76.

PERMIT (Conditions)

Plant Name: Coleman Plant
Affected Unit: C1

2) SO₂ Allowance Allocations and NO_x Requirements for the affected unit:

SO ₂ Allowances	Year				
	2003	2004	2005	2006	2007
Tables 2, 3 or 4 of 40 CFR Part 73	4853*	4853*	4853*	4853*	4853*

NO _x Requirements	
NO_x Limits	<p>(i) Pursuant to 40 CFR Part 76, the Kentucky Division for Air Quality approves the NO_x emissions averaging plan for this unit. This plan is effective for calendar year 2003 through 2007. Under this plan, this unit's NO_x emissions shall not exceed the annual average alternative contemporaneous emissions limitation (ACEL) of 0.50 lb/mmBtu.</p> <p>(ii) Under this plan, the actual Btu-weighted annual average NO_x emissions rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO_x emissions rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emissions limitations under 40 CFR Part 76.5, 76.6, or 76.7.</p> <p>If the designated representative demonstrates that the requirement of condition (ii) (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emissions limitation set in condition (i).</p> <p>In addition to the described NO_x compliance plan, this unit shall comply with all other applicable requirements of 40 CFR Part 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions.</p>

* The number of allowances allocated to Phase II affected units by the U.S. EPA may change under 40 CFR part 73. In addition, the number of allowances actually held by an affected source in a unit account may differ from the number allocated by U. S. EPA. Neither of the aforementioned conditions necessitate a revision to the unit SO₂ allowance allocations identified in this permit (See 40 CFR 72.84).

PERMIT (Conditions)

Plant Name: Coleman Plant
Affected Unit: C2

2) SO₂ Allowance Allocations and NO_x Requirements for the affected unit:

SO ₂ Allowances	Year				
	2003	2004	2005	2006	2007
Tables 2, 3 or 4 of 40 CFR Part 73	5534*	5534*	5534*	5534*	5534*

NO _x Requirements	
NO_x Limits	<p>(i) Pursuant to 40 CFR Part 76, the Kentucky Division for Air Quality approves the NO_x emissions averaging plan for this unit. This plan is effective for calendar year 2003 through 2007. Under this plan, this unit's NO_x emissions shall not exceed the annual average alternative contemporaneous emissions limitation (ACEL) of 0.50 lb/mmBtu.</p> <p>(ii) Under this plan, the actual Btu-weighted annual average NO_x emissions rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO_x emissions rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emissions limitations under 40 CFR Part 76.5, 76.6, or 76.7.</p> <p>If the designated representative demonstrates that the requirement of condition (ii) (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emissions limitation set in condition (i).</p> <p>In addition to the described NO_x compliance plan, this unit shall comply with all other applicable requirements of 40 CFR Part 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions.</p>

* The number of allowances allocated to Phase II affected units by the U.S. EPA may change under 40 CFR part 73. In addition, the number of allowances actually held by an affected source in a unit account may differ from the number allocated by U. S. EPA. Neither of the aforementioned conditions necessitate a revision to the unit SO₂ allowance allocations identified in this permit (See 40 CFR 72.84).

PERMIT (Conditions)

Plant Name:	Coleman Station
Affected Unit:	C3

SO₂ Allowance Allocations and NO_x Requirements for the affected unit:

SO ₂ Allowances	Year				
	2003	2004	2005	2006	2007
Tables 2, 3 or 4 of 40 CFR Part 73	5322*	5322*	5322*	5322*	5322*

NO _x Requirements	
NO_x Limits	<p>(i) Pursuant to 40 CFR Part 76, the Kentucky Division for Air Quality approves the NO_x emissions averaging plan for this unit. This plan is effective for calendar year 2003 through 2007. Under this plan, this unit's NO_x emissions shall not exceed the annual average alternative contemporaneous emissions limitation (ACEL) of 0.50 lb/mmBtu.</p> <p>(ii) Under this plan, the actual Btu-weighted annual average NO_x emissions rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO_x emissions rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emissions limitations under 40 CFR Part 76.5, 76.6, or 76.7.</p> <p>If the designated representative demonstrates that the requirement of condition (ii) (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emissions limitation set in condition (i).</p> <p>In addition to the described NO_x compliance plan, this unit shall comply with all other applicable requirements of 40 CFR Part 76, including the duty to reapply for a NO_x compliance plan and requirements covering excess emissions .</p>

* The number of allowances allocated to Phase II affected units by the U.S. EPA may change under 40 CFR part 73. In addition, the number of allowances actually held by an affected source in a unit account may differ from the number allocated by U. S. EPA. Neither of the aforementioned conditions necessitate a revision to the unit SO₂ allowance allocations identified in this permit (See 40 CFR 72.84).

PERMIT (Conditions)

3. Comments, Notes, and Justifications:

1. Affected units are three (3) dry bottom wall fired boilers
2. Final #A-98-006 Revision 1 was submitted by Western Kentucky Energy for convenience.

4. Summary of Actions:

Previous Actions:

1. Draft Phase II Permit (# AR-96-02) including SO₂ compliance was issued for public comments on September 19, 1996.
2. Final Phase II Permit (# AR-96-02) including SO₂ compliance plan was issued on December 11, 1996.
3. Draft Phase II Permit (# A-98-006) was issued with the 1998 revised SO₂ allowance allocations and NO_x emissions averaging plan for public comments on November 23, 1998.
4. Final Phase II Permit (#A-98-006) has been issued with the 1998 revised SO₂ allowance allocations and NO_x emissions averaging plan on March 4, 1999.
5. Final Phase II Permit #A-98-006 (Revision 1) has been issued with the 1998 revised SO₂ allowance allocations and NO_x emissions averaging plan September 18, 2000.

Present Action:

1. Draft Title V with Section J Acid Rain Permit has been proposed for public comment.